Amendments to specification:

1. Please replace the last paragraph on page 10 (starting at line 17, page 10 and ending at line 9, page 11) with the following paragraph:

--As used herein, the term "regulatory T cells" refers to a lymphocyte cell population which secrets at least 2-fold increase (e.g., 3-fold, 4-fold, 5-fold, 6-fold, 8-fold, 10-fold or more) of IL-10 and/or TGFβ, as compared to naïve T cells. The determination of IL-10 or TGFβ secretion is known in the art. For example, it may be determined by culturing the cells in vitro for 24 or 48 with or without a T cell stimulant like anti-CD3 and then assaying the culture supernatant for these cytokines using cytokine specific ELISAs. In addition, regulatory T cells of the present invention is also characterized by a high level of FoxP3 transcript as compared to other types of T cells (e.g., naïve T cells). By "high level of FoxP3 transcript," it is referred to at least 4-fold increase in the level as compared to other types of T cells. FoxP3 is detectable by using real-time PCR or quantitative PCR (e.g., using PCR primers CCCAGGAAAGACAGCAACCTT, TTCTCACAACCAGGCCACTTG (SEQ ID NO. 1), and labeled probe 6FAM-ATCCTACCCACTGCTGGCAAATGGAGTC-TAMRA (SEQ ID NO. 2) as described in Hori, S., T. Nomura, and S. Sakaguchi. 2003. *Control of regulatory T cell development by the transcription factor Foxp3*. Science. 299:1057-1061). Values are normalized to HPRT expression, which is a housekeeping gene. Alternatively, FoxP3 protein product, Scurfin, can be detected by Western blotting analysis as known in the art, e.g., using Goat Anti-FoxP 3 (FoxP3) Polyclonal Antibody (Catalog Number ab2481, Novus Biologicals, Littleton, CO). Optionally, the regulatory T cells may also make much less IFNγ as compared to other T cells (e.g., naïve T cells), i..e., at least 2-fold, preferably 3-fold, 4-fold, 5-fold, 6-fold, 7-fold, 8-fold, 10-fold or less. Also optionally, regulatory T cells also can be detected by using intracytoplasmic flow analysis to detect T cells expressing IL10 and/or TGFβ but little

or no IFNγ. Additional optional markers as described herein below may also be used for detecting regulatory T cells or the activity of regulatory T cells.--

2. Please replace the first full paragraph on page 53 with the following paragraph:

--For cytokine analysis, cells were cultured for 48h in 96 well microliter plates (Corning, Cambridge, MA) with 200 µl of medium (5 x 10^5 ells/well) at 37°C. The culture medium was RPMI containing 10% FCS, 25 mM HEPES buffer, 2 mM L-glutamine, 5x10^5 M β-mercaptoethanol, 1 mM sodium pyruvate, 100 U/ml penicillin, 5 mg/ml gentamycin, and 100 mg/ml streptomycin (all GIBCO). For most experiments, the cells were cultured alone or with anti CD3 (2C11, ATCC) and anti-CD28 mAb (Pharminogen, San Diego, CA)(each at 1 µg/ml). Isolated T cells were cultured in wells previously coated overnight with anti-CD3 and -CD28 mAb. For IL12 analysis, cells were cultured with the synthetic phosphorothioate backbone oligonucleotide ODN 1826 (TCCATGACGTTCCTGACGTT) (SEQ ID NO. 3) that contains two (underlined) immunostimulatory CpG motifs (13;14), provided by the Coley Pharmaceutical Group (Wellesley, MA), and used at 0.6 µg/ml to stimulate production.--

3. Please replace the first full paragraph on page 67 with the following paragraph:

--The primers and probe for Smad7 are TCCTGCTGTGCAAAGTGTTC (SEQ ID NO. 4), GAGTAAGGAGGAGGGGGAGA (SEQ ID NO. 5), and FAM-TTGATCTTCCCGTAAGATTCACAGCAACA-TAMRA (SEQ ID NO. 6). The expression of Foxp3 and Smad7 mRNA are normalized to that of HPRT. The primers and probe for HPRT are TGAAGAGCTACTGTAATGATCAGTCAAC (SEQ ID NO. 7), GCAAGCTTGCAACCTTAACCAT (SEQ ID NO. 8), and TET-TGCTTTCCCTGGTTAAGCAGTACAGCCC-TAMRA (SEQ ID NO. 9).--